

ANNUAL REPORT
FY06

LETTER FROM THE DIRECTOR



Dear Stakeholder,

The Missouri Department of Economic Development is pleased to offer the Business and Community Services FY2006 Annual Report. It has been compiled to give an account of the Department's role in various economic development projects, as well as how our incentive programs are being used, an analysis of our budget, and commentary from our diverse customers.

When I first came into office in 2005, I announced significant changes within the Department of Economic Development as part of our reorganizational effort, ensuring progress as a business structured environment. The first step in our new approach was the creation of the Missouri Partnership to serve as the premiere statewide, private sector business recruitment organization. The Missouri Partnership will work in close collaboration with all state, regional, and local entities to actively engage in economic development efforts; promoting the state of Missouri and competing to increase both economic opportunity and success.

Our second step included a major internal reorganization built on current strengths and incorporates a private sector approach to doing business. As part of the reorganization effort, the department announced the creation of the new Business and Community Services Division, which merges the former divisions of Business Development and Trade with Community Development in order to take advantage of the combined expertise of both divisions. Within the new division, four new teams have been built around sales, marketing, finance and compliance.

As we look to the future of Missouri's economy, the department must promote entrepreneurship; put more DED representatives in the field to communicate with business owners and community leaders; and create new funding mechanisms to finance professional business attraction and recruitment efforts. With this in mind, the Division of Business and Community Services created eight new positions to serve as industry specialists in the areas of: Financial Services, Life Sciences, Automotive, Defense/Homeland Security, Information Technology, Agri-Business, Energy and Transportation/Logistics. These specialists will serve as a bridge with the private sector by actively working with leaders in their perspective fields all across the state to promote communication and increase activities within the industry.

Moreover, the Department of Economic Development has decided to merge Missouri's Economic and Research Information Center (MERIC) into the Division of Business and Community Services. This incorporation allows the Department to fully utilize the expertise and economic analysis of the state's renowned research team.

These are just a few of the many changes the Department of Economic Development continues to make as it works with partners across the state to stimulate and support economic security, opportunity, growth and a high quality of life in our communities in order to make our state the best place to live, work, vacation and conduct business. For more information about how the Department of Economic Development can assist with your career or business needs please visit our website at



DIRECTOR GREG STEINHOFF





HIGHLIGHTS OF FY2006

- The Sales Team managed an average of 268 business projects throughout the Fiscal Year. These projects resulted in 135 announced locations or expansions in the state which are projected to create 12,646 new jobs and investments totaling almost \$4 billion over a period of years.
- The Finance Team reviewed close to 9,060 tax credit/finance program applications in FY2006. This resulted in 1,177 applications awarded and authorizations of approximately \$917 million in state tax credits, tax-exempt bond authority, tax increment financing, community development block grants and loans to over 680 projects in Missouri. These projects in turn created 4,493 new jobs and retained 809 existing jobs.
- The Compliance Team was monitored by the federal Housing and Urban Development on the Environmental Review for the Community Development Block Grant (CDBG) program. Missouri was the only state in the HUD Region VII that did not receive any findings and were considered an exemplary example of how a state should handle this process.
- The Marketing Team received an Award of Distinction in the Print Competition category from The Communicators Award for the Missouri Focus E-newsletter and also captured the APEX 2006 Award for Publication Excellence in the Email Newsletter category. Since Missouri Focus fashioned a new design in July 2005, the e-publication has received two awards and increased the number of recipients from approximately 1,300 to 3,200 with the consolidation of several department newsletters. A collaborative effort from DED's business, community, workforce and MERIC research groups has shined the spotlight on Missouri as a "Show Me Information" trendsetter.
- Governor Blunt signed into law the Missouri Quality Jobs Act in July 2005, which ties job creation to economic incentives for businesses. The new law also increased the cap to the state's Tax Increment Financing program from \$15 million to \$32 million.
- The MERIC team received the national award from the Council for Community and Economic Research for excellence in the field of economic research. MERIC received the Award for Excellence in Projects that support Business Development activities for its work on Target Missouri 3- TM3, Industry Drivers for the Economy.
- The MERIC team also was honored with a Workforce Excellence Award for Innovation in Economic Development at the 23rd Annual Governor's Conference on Workforce Development. They received the award, along with the Northwest Skills Gap Planning Consortium, for developing a workforce gap analysis needs assessment for the Northwest Workforce Investment Board.
- The BCS International staff also received an award in FY2006 from the U.S. Department of Commerce for helping Missouri companies increase their exports. They work collaboratively with the U.S. Department of Commerce on programs aimed at assisting Missouri companies in the international marketplace. The program assisted over 700 Missouri companies in FY2006.
- In June 2006, Governor Matt Blunt announced the DREAM initiative - Downtown Revitalization and Economic Assistance for Missouri - a partnership between three development agencies: the Missouri Department of Economic Development; the Missouri Development Finance Board and the Missouri Housing Development Commission. DREAM is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization efforts and attract new private investment to the hearts of their communities.

BUSINESS & COMMUNITY SERVICES

The mission of the Division of Business and Community Services is to promote Missouri as a great place to do business, to help create the environment in Missouri's communities that will stimulate family supporting jobs and new private investment and to allow for future sustainable growth by increasing opportunities for new local and state revenues.

Services to Missouri businesses and communities are provided through five teams – Sales, Marketing, Research (MERIC), Finance and Compliance.

The **Sales Team**, through regional and industry specialization, provides individualized customer service to businesses considering locating or expanding within our state. They assist communities with key development activities and work to develop export promotion opportunities for Missouri businesses to take their products and services to key world markets.

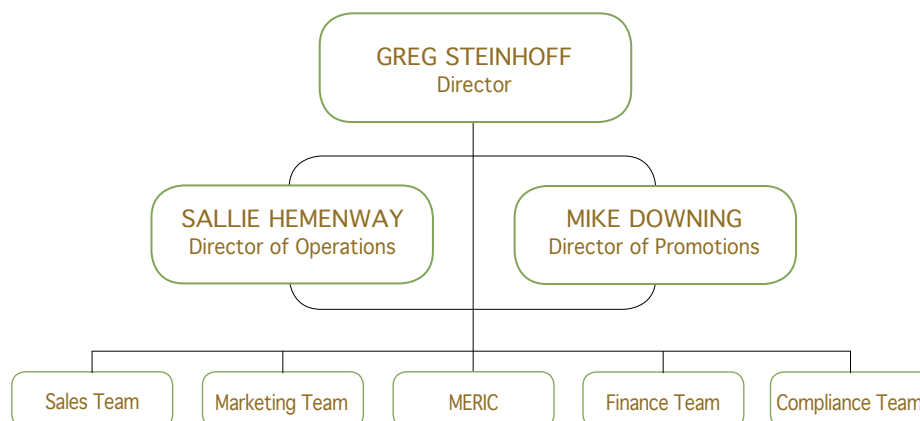
The **Marketing Team** produces award-winning print and media materials to competitively market our state at the national and international level. From trade shows to television broadcasts, the collaborative effort of the marketing team helps in supporting the Sales and Finance teams using key marketing strategies, in an effort to attract and increase lead opportunities to Missouri.

MERIC is the **Research Team** under the Business and Community Services Division for the Missouri Department of Economic Development. They provide innovative analyses and assistance to policymakers and the public, including studies of the state's targeted industries and economic development initiatives. Other MERIC research includes Economic Condition Reports, Economic Impact Assessments, and Labor Market Information produced in cooperation with the U.S. Department of Labor.

On our website – www.missourieconomy.org – you will find the latest research on Missouri industries, workforce, regions and economic conditions, with observations on the state's business climate. In today's fast-paced global business environment, good information for sound decision-making is more than a strategic advantage – it's a necessity.

The **Finance Team** administers the many incentives offered by our department in a manner that promotes consistency and allows for expertise. The team assures access and understanding by DED customers of all of the programs offered and supports the Sales Team's efforts through coordination and communication.

The **Compliance Team** assures accountability for each program by assessing the operations; determining compliance by conducting file reviews, on-site monitoring, eligibility determinations, necessary claw-back and any follow-up requirements. The Finance and Compliance teams work proactively to assure compliance standards are met.



ACTIVITY STATEMENTS

Statement of Activities for twelve months ending June 30, 2006

General Revenue funds only

Appropriation (Revenue)

General Revenue - Personal Service	\$1,736,380.00
General Revenue - Equipment & Expense	\$1,685,909.00
Total Appropriation (Revenue)	\$3,422,289.00

Expenses

Personal Service - Employee Salaries	\$1,690,857.16
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Equipment and Expenses (E&E)

Marketing-Publications	\$6,042.47
Marketing-Trade Shows/Events	\$174,691.91
Marketing-Other Marketing	\$26,367.32
Travel, meals, rentals	\$149,322.72
Communication	\$50,366.68
Conferences, Training, Education	\$72,190.97
Equipment and Repair	\$17,394.34
Supplies, postage, printing	\$58,484.80
Computer Equipment	\$16,798.17
Publications and Subscriptions	\$7,173.96
Other Miscellaneous Expenses	\$2,407.65
Professional Services*	\$1,100,812.66
Total E&E Expenses	\$1,682,053.65

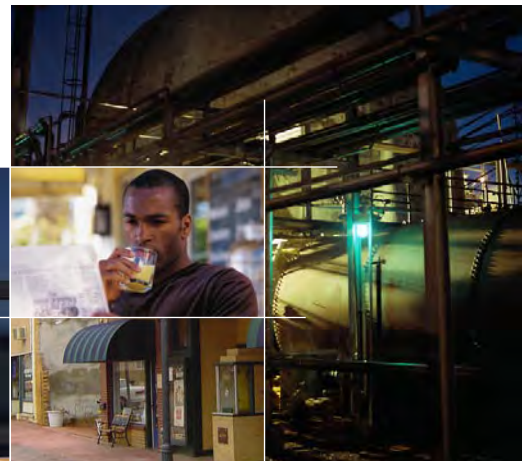
Personal Service Net Revenue/Expenses	\$45,522.84
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E&E Net Revenue/Expenses	\$3,855.35
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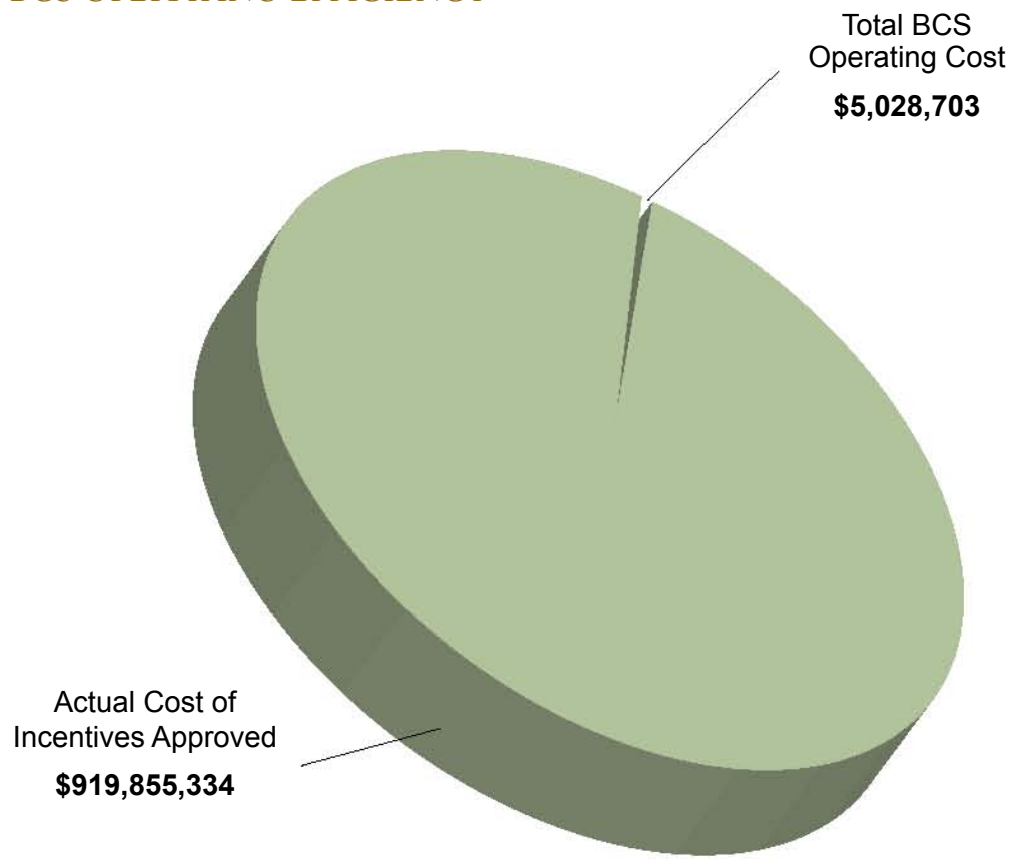
Total Net Revenue/Expenses	\$49,378.19
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* Professional Services includes Foreign Office Representatives
and Export Finance program

Note: Excess Personal Service dollars due to turnover throughout the year.



BCS OPERATING EFFICIENCY



Cost to Operate = 1/2 percent





ACTUAL RESULTS

Projects Using a Finance Tool

Finance Program	Leveraged Investment	Number of Projects
Brownfield Redevelopment	\$500,732,632	23
Community Development Block Grants (CDBG)	\$72,580,816	149
Development Tax Credit	\$1,052,633	5
Family Development Account Tax Credit	\$9,018	3
Film Production Tax Credit	\$917,982	5
Loan Guarantee Fee Tax Credit	\$0	23
Historic Preservation Tax Credit	\$426,534,970	124
Incubator Tax Credits	\$326,069	11
Neighborhood Assistance Tax Credit Program	\$9,815,852	74
Neighborhood Preservation Tax Credit	\$62,399,787	127
Private Activity Bond Allocation	\$0*	25
Rebuilding Communities Tax Credit	\$2,788,114	55
State Tax Increment Financing Program	\$171,308,864	1
Transportation Tax Credit	\$911,910	2
Wine Producers/Grape Growers Tax Credit	\$549,979	21
Youth Opportunities Tax Credit	\$4,330,818	34
Totals	\$1,254,259,444	682

* tracking to start 2007



PROJECTED RESULTS

Importance of Capital Investment

Capital investment is investment planned by businesses assisted by the Department that are looking to either locate a new business facility in Missouri or expand an existing facility in Missouri. Capital investment includes, but is not limited to, a company's investment in infrastructure improvements, equipment upgrades, new employee hires, training or retraining employees and adopting innovative/lean manufacturing processes. The investment a firm makes in itself and Missouri demonstrates their commitment to the success of their business.

- *Projected investment through business expansion, retention or new business location. Projects occur over a number of years.*

Announced Business Projects by District

Central	7
Kansas City	34
Northeast	12
Northwest	6
Southeast	17
Southwest	18
St. Louis	41

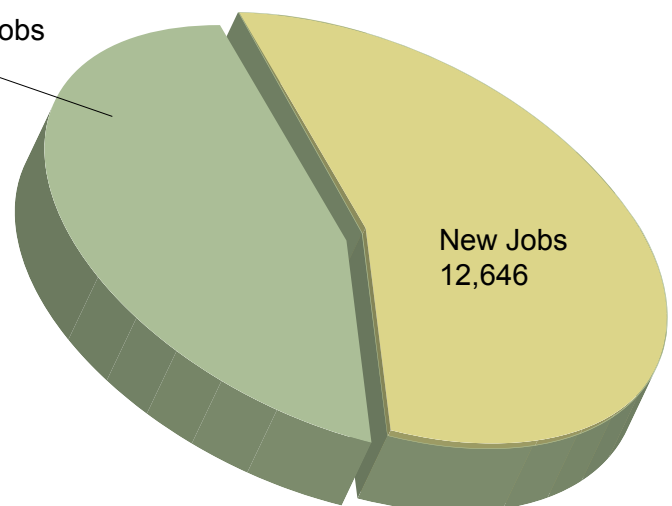
Total Announced Projects 135

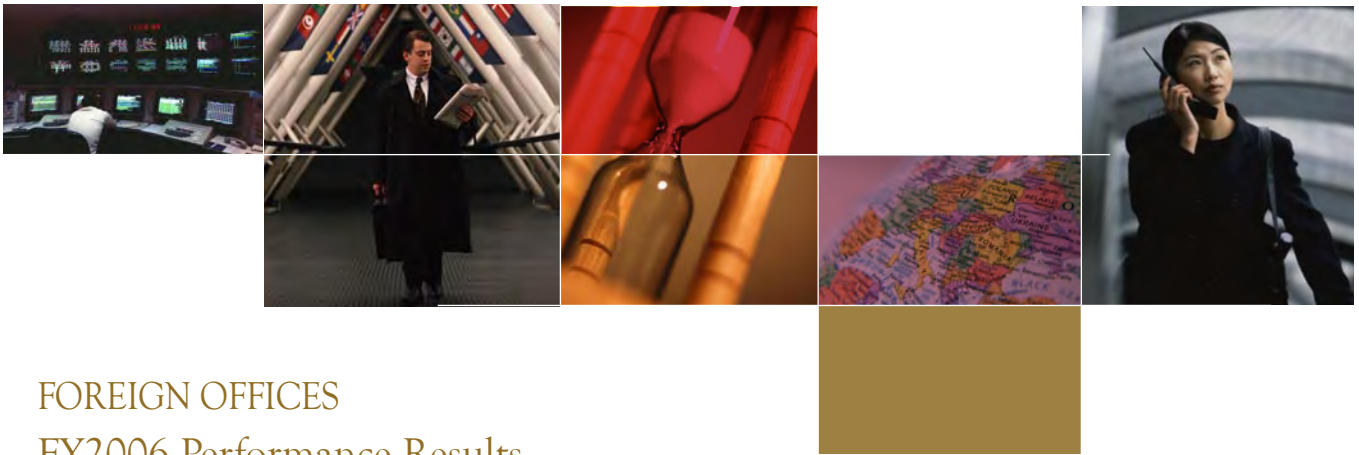
Projected Results

Projected Capital Investment	\$4,379,218,777
New Companies to Missouri	32
Existing/ New Facility Expansions	103

PROJECTED JOBS CREATED & RETAINED

Retained Jobs
10,064





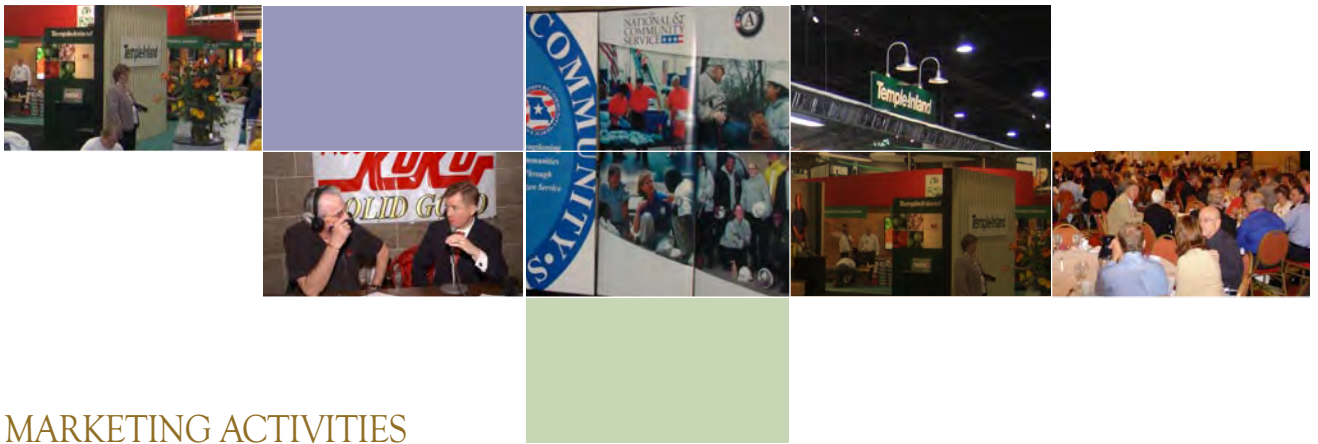
FOREIGN OFFICES

FY2006 Performance Results

Clients Served	726
Number of Company Projects*	649
Number of Client Impact Statements	32
Project Leads	15
Customer Satisfaction Rating (range of 5.0)	4.66

* A company can have more than one project.



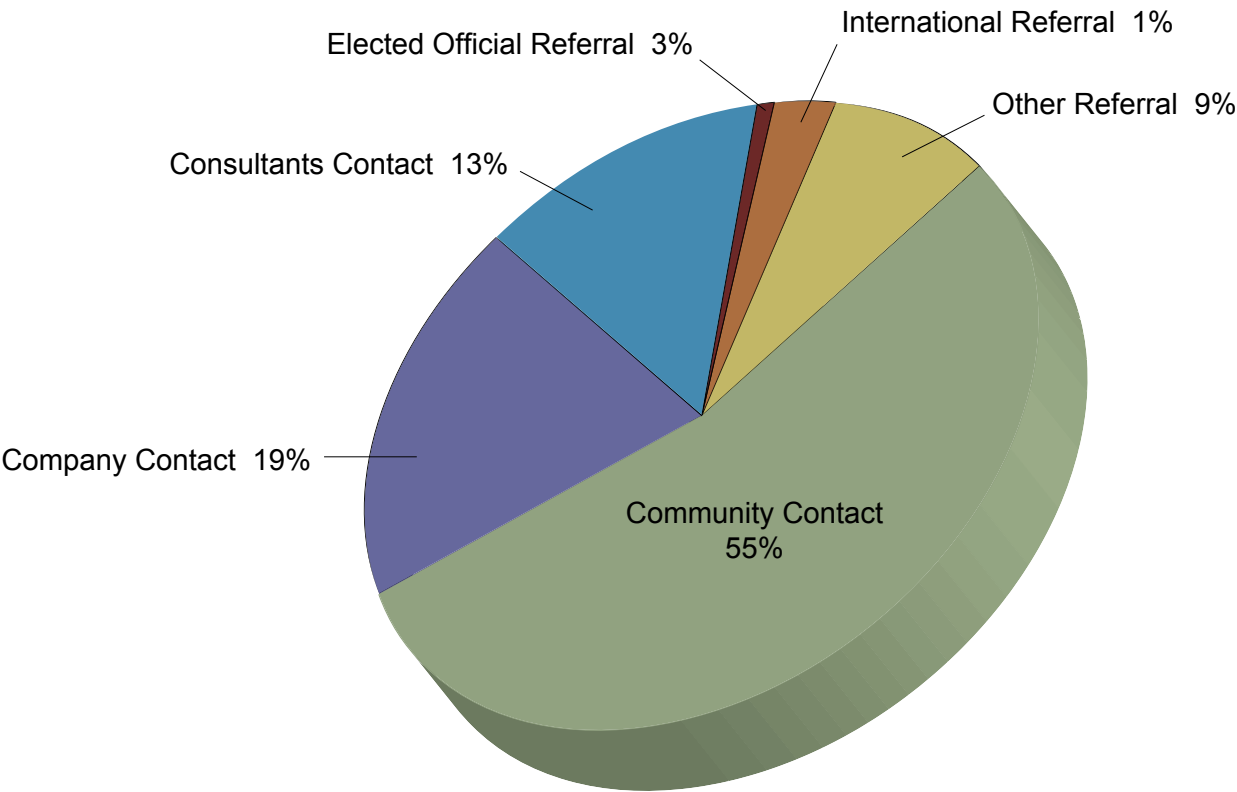


MARKETING ACTIVITIES

Marketing Budget Analysis

Publications	\$6,042
Trade Shows/Events	\$60,946
CoreNet	\$50,783
BIO2006	\$56,227
BIO2005	\$6,736
Other Marketing	\$26,367
Total Marketing	\$207,102

LEADS BY SOURCE



COLLABORATIONS, PARTNERSHIPS & ALLIANCES

The **Business and Community Services** division collaborates and partners with many organizations charged with carrying out specific missions related to economic development growth and opportunity.

Missouri Community Service Commission (MCSC) - The Missouri Community Service Commission (MCSC) receives funding from the Corporation for National and Community Service (CNCS) to administer the AmeriCorps*State and Education Awards programs in Missouri. These funds are made available to not-for-profit organizations, educational institutions, community-based organizations and faith-based organizations. AmeriCorps brings people of all ages from 17 to 100 together to work on projects such as tutoring, youth mentoring, public safety, housing rehabilitation, health care, environmental issues and disaster relief. It provides communities and neighborhoods with the human resources necessary to address their most pressing civic needs and gives individuals a way to serve their country by completing community service projects.

Program Expenditures	\$3,000,000
Number of Volunteer Hours Committed	13,837
Average Number of Hours Served per Volunteer	1,635
Number of Clients Served	77,467

The Hawthorn Foundation - Created in 1981 by then-Governor Christopher (Kit) Bond, the Hawthorn Foundation is a public-private partnership used to supplement Missouri's marketing programs and attract new industry to the state through private funding of state economic development. The Foundation is a private 501(c)(6) corporation and its investors include many of Missouri's most prominent corporations and business leaders. The 36-member Board of Directors is an independent, non-partisan board composed of the Foundation's major investors and other selected members. The Hawthorn Foundation is instrumental in funding various trade missions, trade shows and other events in which the Department participates.

Missouri Military Preparedness & Enhancement Commission - The Missouri Military Preparedness and Enhancement Commission was established in 2005 when Governor Matt Blunt signed Senate Bill 252 into law. The Commission is tasked with making recommendations regarding community relations and interstate cooperation on military issues. The commission will also serve as a clearinghouse for information regarding federal actions affecting military installations and their potential impact on the state and local communities.

"Military bases in Missouri have had a positive impact on our state's economy, and the men and women who serve on them have become important members of our communities while providing vital services to our Armed Forces," Governor Blunt stated at the signing. "I look forward to working with this commission to improve Missouri's longstanding and productive relationship with the United States military and defense-related businesses."

The Commission has nine members: five appointed by the governor, 2 members of the Senate and 2 members of the House of Representatives.

Missouri Small Business Regulatory Fairness Board (SBRFB) - The Missouri Small Business Regulatory Fairness Board (SBRFB) ensures that Missouri small business owners (those with 100 or fewer full-time or part-time employees) have a voice in the development of rules and regulations by Missouri state departments and agencies. Missouri's state departments and agencies are required to solicit input from small business owners prior to implementing new rules and regulations. Agencies must determine if the proposed rule affects small business and, if so, the availability and practicability of less restrictive alternatives that can be implemented to achieve the same results.

The board consists of nine members and provides state agencies with input regarding rules that adversely affect small businesses and solicits comments from small businesses. The board also holds hearings around the state with state agencies and small business owners. These events provide a public venue for state agencies to discuss their approach to regulatory fairness for small businesses and for members of the public to comment on state agency performance.

Missouri Film Commission - The Missouri Film Commission was created in 1983 to attract film, television, video and cable productions to Missouri, and to promote the growth of the film and video production industry within Missouri. The Commission is made up of nine members, five of which are appointed by the Director of the Department of Economic Development.

The commission shall provide oversight and guidance to the director of the department of economic development in administering the office of the Missouri film commission, established in section 620.1210. The commission shall make recommendations to the governor and the general assembly on: (1) The removal of barriers so that film production in Missouri may be more easily promoted; and (2) The development of state incentives to attract private investment in film production in the state.

Regional Planning Commissions - State financial aid enables local governments, through regional planning commissions, to initiate programs and services identified as important by member governments. State funds are matched by local funds.

Intergovernmental Relations Commission - The Intergovernmental Relations Commission is the focal point from which state agencies receive information and recommendations on intergovernmental issues. The Missouri Commission on Intergovernmental Cooperation works closely with the Governor's Federal Fiscal Impact Commission, follows the devolution of federal programs, and studies the effect on state and local governments.



MISSOURI TECHNOLOGY

Missouri Technology Corporation (MTC) - MTC, a not-for-profit corporation, advises the Department of Economic Development, the Governor and the General Assembly regarding business development opportunities related to new technology and products. MTC contributes to strengthening the state's economy through the development of science and technology; promotes the modernization of business through the transfer of science, technology and quality improvement methods to the workplace; and enhances the productivity and competitiveness of Missouri's businesses by providing leadership and establishing methods of technology application, commercialization and development. MTC consists of eleven members appointed by the Governor and four ex-officio members including the President of the University of Missouri System and the Director of the Department of Economic Development. This board also houses the Research Alliance of Missouri (RAM), established in January 2003 to respond to the need for an alliance between business and universities in order to coordinate research and provide more access to technology for Missouri businesses.



Missouri Manufacturing Extension Partnership - The Missouri Manufacturing Extension Partnership (MEP) is the only economic development program in the state of Missouri that provides business and technical assistance to the state's small and medium size manufacturers. The assistance enables these manufacturers to become and remain competitive and retain existing jobs and create new jobs. MEP is a public-private partnership with a number of strategic partners including the U.S. Department of Commerce's National Institute of Standards and Technology and the University of Missouri System. This program receives federal funding that is matched by state funding through the Division and private funding through fees.

Quarter	Total Impact	State Spending	Return on State's Investment
1st	\$4,167,000	\$340,404	
2nd	\$146,142,400	\$340,404	
3rd	\$6,045,000	\$340,404	
4th	\$11,688,292	\$340,404	
Total	\$168,042,692	\$1,361,616	123:1

Missouri Innovation Centers - During FY06 Missouri sponsored five Innovation Centers located in St. Louis, Rolla, Columbia, Cape Girardeau and Joplin. Innovation centers offer a wide range of management and technical assistance to technology-based businesses. The centers are familiar with up-to-date business management and technology innovations and assist businesses in applying these innovations to increase profits. Clients of the centers become a part of a network of state, federal, university and private resources designed to develop and support high-growth businesses. The Innovation Centers receive state funding through the Division. These funds are required to be matched on a one-to-one basis.

Quarter	Total Impact	State Spending	Return on State's Investment
1st	\$44,743,484	\$265,353	
2nd	\$22,980,944	\$265,353	
3rd	\$15,285,275	\$265,353	
4th	\$13,315,463	\$265,353	
Total	\$96,325,166	\$1,061,412	91:1

Note: Total Impact for both the MEP and Innovation Center programs includes Client Revenue and New Funding Received.

ECONOMIC CONDITIONS

Unemployment

Missouri's average unemployment rate during 2005 was 5.4 percent. The state's labor force increased by 10,107 to 3,024,478 in 2005, while employment increased by 21,417 over the year to 2,862,153. Unemployment decreased in 2005 by 11,310 to 162,325.

Cost of Living

In the 2nd quarter of 2006, Missouri had the 5th lowest cost of living in the United States (of the 49 states and the District of Columbia surveyed by ACCRA).

Exports

Missouri exports in 2005 increased by 16.3 percent from 2004, according to the World Institute for Strategic Economic Research (WISER). Through year-end, Missouri exported \$10.5 billion in total products, compared to \$9.0 billion (revised) in 2004. Missouri exports reached a new high in 2005. 2006 year-to-date figures as of June show Missouri exports to be \$6.03 billion.

Gross State Product

Missouri's Gross State Product (GSP) totaled \$216.0 billion in 2005, according to data from the U.S. Bureau of Economic Analysis. Real Missouri GSP growth from 2004 to 2005 was 2.2 percent, less than the U.S. average of 3.5 percent for the period. Missouri's growth slowed in 2005, as did that of the U.S. and most other states.

Consumer Price Index and Inflation

Annual - The average cost of a market basket of goods and services in the United States increased by an average of 3.4 percent in 2005 according to the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI). This commonly used rate of inflation is up from 2.7 percent in 2004.

Most current month - The average cost of a market basket of goods and services in the United States increased 0.2 percent from July to August on a seasonally adjusted basis, according to the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI). Compared to August 2005, the current index of 203.7 is 3.82 percent higher.

Purchasing Managers' Index

Missouri's Purchasing Managers' Index (PMI) advanced slightly in September. The state's PMI score increased to 58.0 from 57.2 in August, according to the monthly Mid-American Business Conditions Survey, conducted by Creighton University, Omaha, Nebraska. Missouri's score has remained above the critical 50 mark for more than four years, indicating expansion in the state. Missouri's September score showed expansion for the third straight month, with positive scores in production (63.0), new orders (62.0) and employment (56.6).

SUCCESS STORIES

- ◆ The **Catholic Family Services** in St. Louis provides supervised, structured after-school programs for young people, ages 5 years through 18 years of age to help them become more successful in life. In addition, a summer program was started to meet the needs of children during longer periods of unsupervised time. This project was approved in August 2005 for \$124,292 in Youth Opportunities tax credits, which is expected to leverage up to \$248,584 in local contribution. The goal of the project is to increase the number of at-risk youth that remain in school and earn course credit(s) toward their diploma; reduce the number of at-risk youth committing crimes and violent acts; decrease the number of at-risk female teens that become pregnant; and increase the number of youth that have completed alcohol and drug awareness programs and abstain from alcohol and drug use.
- ◆ **State Street Bank** in Kansas City announced an expansion to their facility in September 2005. The expansion is estimated to create 940 new jobs with \$11.5 million in investment. State Street Bank is an institutional bank for the mutual fund and insurance industries, monitoring mutual fund and insurance fund assets. Employing over 1,100 people, the Kansas City office has over \$616 billion assets under custody. The project was approved for Development Tax Credits and Missouri Quality Jobs
- ◆ Governor Matt Blunt announced in September 2005 the approval of \$3 million in Brownfield remediation tax credit applications for the **Bee Hat Building, Ely-Walker Building and Southside National Bank** redevelopment projects in St. Louis. Additionally, these three structures were authorized for the use of Historic tax credits in the amount of \$1,750,000 for Bee Hat, \$12,475,000 for Ely-Walker, and \$4,000,000 for Southside National Bank. Once rehabilitated, these facilities will provide additional restaurant, parking, office, retail and residential living space and create more than 220 new jobs in the heart of downtown St. Louis.
- ◆ Announced in December 2005, the **River Roads Shopping Center** was approved for nearly \$4.1 million in Brownfield Redevelopment remediation and jobs and investment tax credits for businesses locating within the new development area at Halls Ferry Road and Jennings Station Road. The project is expected to create at least 160 new jobs and hundreds of housing units in the area. The owner/developer of the project plans to invest more than \$31 million to redevelop the site.
- ◆ **ABC Laboratories**, Inc announced their intentions to expand their operation into Discovery Ridge, a technology park located on the University of Missouri-Columbia in December 2005. The project will allow ABC Labs to grow further into the pharmaceutical end of the analytical chemistry industry. The project will create 250 jobs and \$20 million in investment. ABC will keep its ag-chemistry facility at its current location in Boone County. The company has been approved and will participate in the Missouri Quality Jobs Program.
- ◆ **Select Brands, LLC** announced their plans in January 2006 to expand their operations into Springfield. They are making an investment of \$2 million and adding 40 new jobs within two years. This will allow them to more readily market their products because of Missouri central location. They have been approved and will benefit from the Enhanced Enterprise Zone program. Select Brands cited Missouri's location, affordability, and workforce as reasons why they are expanding into this area.
- ◆ **Centene**, headquartered in Clayton, Missouri announced in January 2006 a redevelopment of their campus to include a new facility and parking structure. They will be making an investment of \$189 million and adding 900 new jobs to the area. They looked at doing this project elsewhere, but with the Quality Jobs program and the assistance from the City of Clayton, they decided to expand the existing facility.
- ◆ **Old Castle Glass** announced in April 2006 a 21,000 square foot expansion to their Wright City, Missouri facility. A \$4 million dollar investment by Old Castle Glass will create at least 20 new manufacturing jobs in the community. With an over sixty percent increase to their workforce, the Warren county facility will need to create a second manufacturing shift. Old Castle Glass, a commercial glass manufacturer that specializes in windows for all of your commercial needs, has been approved to participate in the Missouri Quality Jobs program.
- ◆ **Mid-America Biofuels, LLC** announced plans in April 2006 to build Missouri's first major biodiesel production plant in Mexico, Missouri. Mid-America Biofuels, LLC is a joint venture of Biofuels, LLC, a farmer-owned biodiesel business based in Jefferson City, MO; Ray-Carroll County Grain Growers, Richmond, MO; and MFA Oil Company, Columbia, MO. Archer Daniels Midland Company (ADM) of Decatur, IL, one of the world's leading agriculture processors, has entered into a letter of intent to purchase an interest in Mid-America Biofuels and provide key products and services to this joint venture. The facility will have a nameplate capacity of 30 million gallons of biodiesel production per year and will use soybean oil as feedstock. They plan to make an investment of \$27 million and create 12 new jobs. They have been approved and will benefit from the Enhanced Enterprise Zone program.
- ◆ **Applied Food Biotechnology (AFB) International** announced in April of 2006 the establishment of a new Research & Development facility within the Missouri Research Park in St. Charles County. AFB develops, tests, and manufactures products that address flavor preferences in dogs and cats. They work with a wide variety of customers worldwide who produce and market a complete range of pet foods, biscuits, treats and snacks. In committing to the establishment of the new R & D facility AFB estimates that they will be investing approximately \$9 million over five years, and expanding their professional staff by 43 new positions. They have been approved and will be participating in the Missouri Quality Jobs Program.

◆ **Case New Holland** announced its plans in April 2006 to locate its Midwest Parts Distribution Center in Cameron, Missouri. This 500,000 sq. ft. facility will be state of the art and be utilized to supply Case New Holland dealers throughout the Midwest with parts for their agricultural and construction equipment. This project will create 160 new jobs and \$14 million in investment. They have been approved and will benefit from the Enhanced Enterprise Zone program.

◆ **Manac Trailers USA, Inc.** announced plans in April 2006 to open their second manufacturing operation in Kennett beginning production in the second quarter of 2007. This is the company's second production facility in Missouri and will employ over 170 people at the end of their second year together with more than \$8 million in total private investment. After searching a four state area, Manac Trailers felt that Kennett and the surrounding offered a very dependable and qualified workforce that met the company's current production demands. The company will receive benefits from the Enhanced Enterprise Zone and New Jobs Training Bonds Programs.

◆ In May 2006 a \$25 million redevelopment effort was announced for the **Central Shoe Building** vacant property located at 1635 Washington Avenue in St. Louis. The project will utilize Brownfield remediation tax credits up to \$625,000 to help offset the costs involved in the cleanup of asbestos and lead-based paint at the site. Historic tax credits, in the amount of \$6,250,000, were also authorized for rehabilitation of this historic structure built in 1918. The project will support at least 78 new jobs and turn the property into a mixed-use facility that will house residential and offices.

◆ **Sprint Nextel** announced plans for a new facility in downtown Kansas City in June 2006. Sprint Nextel has leased 150,000 square feet in the former Gateway building in the West Bottoms and filed plans for a call center that could accommodate about 800 employees. A call center is being planned for the vacant building at 1414 Genessee Street. The project would create approximately 1,200 new jobs with an estimated investment by Sprint of \$10.5 million. The project was approved for the Missouri Quality Jobs program.

◆ **H&R Block**, the world's largest tax services provider, announced the opening of its new headquarters in Kansas City in the summer of 2006. The new center brings together 1,600 company associates from six former locations in the metropolitan area. The 525,000 sq. foot complex is located in the city's downtown core that is currently being revived as a creative, vibrant environment for people to work, live and play. The DED provided incentives including BUILD and training tax credits for the project expansion.

◆ In June 2006, the **Edison Brothers Warehouse** in St. Louis received a \$2.5 million in Neighborhood Preservation Tax Credits. The project had a total investment of nearly \$23 million and created 63 new housing units.

◆ DED awarded \$300,000 to the **City of Pacific** to help construct a bridge over the railroad and a road extension. This improved access to and from a low-to-moderate income residential area that was on the other side of the UP railroad tracks from most of the town and was often isolated when trains stopped. This project was awarded a HUD Best Practice award from HUD Region VII.

◆ The **City of Peculiar** was awarded \$515,000 in an infrastructure grant for sewer collection line improvements to benefit Sioux Chief. The company created 64 jobs of which 57 went to low to moderate income persons. Sioux Chief also expended over \$2 million in new private investment into the facility.

◆ DED awarded \$440,000 in infrastructure grants to the **City of Clinton** to help with water, sewer and road improvements to benefit the Schreiber Foods expansion. Schreiber created 44 jobs of which 27 went to low to moderate income persons, and invested almost \$10 million in new private investment to the facility.

◆ The **St. Patrick Center** will use the Neighborhood Assistance Program to raise money to train and place unemployed persons who are most at risk of becoming homeless-into permanent jobs. The center was authorized tax credits in the amount of \$250,000, which is expected to leverage \$500,000 in local contributions. The goal of the center is to increase the number of individuals that complete advanced vocational training and work experience. Approximately, 466 unemployed adults will complete advanced vocational training and work experience through the program.

